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CORPORATION GROWTH IN ONTARIO, 1972-73



MINISTRY OF TREASURY, ECONOMICS
AND INTERGOVERNMENTAL AFFAIRS

Ontario Statistical Centre

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MINISTRY OF TREASURY, ECONOMICS
AND INTERGOVERNMENTAL AFFAIRS

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Treasurer of Ontario and Minister of Economics
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SYMBOLS USED IN REPORT

- Nil or zero
- Amount too small to be expressed
- ... Not applicable

PREFACE

This is the fourth statistical report on corporations in Ontario published by the Ontario Statistical Centre, and is the result of a joint effort of the Centre and the Companies Division of the Ministry of Consumer and Commercial Relations.

We are deeply indebted to the Ministry of Consumer and Commercial Relations for their co-operation and participation in this project. Special thanks are due to Mr. C.R.B. Salter, Q.C., Executive Director, Mr. H.H. Ozolins, Deputy Director, Administration, and other members of the Companies Division. Only through their unreserved co-operation was the preparation of this report possible.

This report was prepared by Mr. N. Ferik, with the assistance of Mr. D.S. MacInnes, Statistician, and the clerical and secretarial staff of the Surveys and Statistical Standards Section, under the direction of Mr. G. Z. Szabo.

K. Cheng
Director
Ontario Statistical Centre

December, 1973

INTRODUCTION

This report provides information on the growth of corporations in Ontario, their composition by type and by year, formation of new corporations, and incorporations by jurisdiction. Incorporation by jurisdiction is not synonymous with domestic or foreign ownership. Statistics on the growth of corporations were compiled from the administrative records of the Companies Division, Ministry of Consumer and Commercial Relations.

Data on corporations were prepared as of March 31st, the end of a fiscal year. In the previous issues of this publication, corporations statistics were compiled as of October 31st of each year. Data for the fiscal year ending March 31, 1972, were introduced in the 1971 report.

DEFINITIONS

A corporation is created by filing articles of incorporation; by filing a memorandum of association; or by issuing letters patent of incorporation. The incorporating instrument - articles, memorandum or letters patent, depending upon the particular provincial or federal statute - sets forth the objects of the corporation, and certain provisions for the regulation and conduct of its affairs, and in the case of a corporation with share capital, the amount of capital it is authorized to issue.

There are several types of corporations. The main distinction is between corporations with or without share capital.

In this report, the following definitions will apply:

COMPANY: An Ontario corporation with share capital, other than those listed below.

CORPORATION: A corporation with or without share capital, but in Tables 2, 4 and 5 "corporation" means an Ontario corporation without share capital, other than those listed below.

CREDIT UNION: An Ontario corporation incorporated under The Credit Unions Act.

INSURANCE COMPANY: An Ontario corporation incorporated for the purpose of underwriting insurance of any type under The Insurance Act. Insurance Agents, Brokers or Adjusters are excluded.

MINING COMPANY: An Ontario corporation subject to Part IV of The Corporations Act or the predecessor thereof (Part XI of The Companies Act).

SOCIAL CLUB COMPANY: An Ontario corporation with share capital, having social objects.

SOCIAL CLUB CORPORATION: An Ontario corporation without share capital, having social objects. Service clubs are excluded.

CO-OPERATIVE WITHOUT SHARE CAPITAL: An Ontario co-operative corporation without share capital.

CO-OPERATIVE WITH SHARE CAPITAL: An Ontario co-operative corporation with share capital.

COMPANY WITH AN EXTRA-PROVINCIAL LICENCE: A corporation incorporated outside the Province of Ontario which has an Ontario licence to carry on any of its business in Ontario. Excluded are Quebec and federally incorporated corporations which do not require extra-provincial licences.

CORPORATION HOLDING LICENCE IN MORTMAIN: A corporation with or without share capital, incorporated outside Ontario, which holds licence in Mortmain. Licence in Mortmain empowers a foreign corporation to hold land in Ontario. This includes federally incorporated corporations but excludes corporations incorporated in Quebec on a basis of the reciprocal agreement between the Provinces of Ontario and Quebec.

PRIVATE LOAN COMPANY: An Ontario private loan corporation with limited objects - with power to lend and invest money on mortgage of real estate or otherwise, subject to section 3 of The Corporations Act.

MINING SYNDICATE: An Ontario mining corporation whose existence is limited to three years.

OTHERS: Composed mainly of unlicensed Federal and Quebec corporations with or without share capital, etc.

AMALGAMATION: An Ontario corporation formed from any two or more corporations which combined to operate as one corporation.

REVIVAL: An Ontario corporation reactivated after being dissolved for not filing its annual return under The Corporations Information Act.

STATISTICAL HIGHLIGHTS

Perhaps one of the most significant indicators of the health of the economy is the level of activity in the formation of new corporations. Because it represents an increased level of output and employment, corporation growth is a sensitive indicator of the economic performance of an area.

The two recessions that occurred in Canada in 1957-1958 and 1960-1961 are reflected in the reduced number of corporations formed during these periods in Ontario. On the other hand, the surge of economic expansion after the recession of 1970 is shown in the high rate of growth of new corporations sustained during the past three years.

During the fiscal year 1972-73, there were 12,996 new corporations established in the Province, an increase of 1,472 corporations or 13% over the previous fiscal year. Of these, 12,489 corporations or 96% were incorporated in the Province. Of the remaining 4% incorporated outside the Province, 222 obtained licences in mortmain and 285 obtained extra-provincial licences. Companies (corporations with share capital) comprised 94% of the new corporations that were incorporated in Ontario in the fiscal year 1972-73, one per cent higher than the previous year. Although new corporations without share capital increased by almost 12%, they constituted a smaller proportion of new corporations in the Province. The number of new corporations formed by the amalgamation of two or more corporations, was reduced by almost a half over the previous year (See Tables 1 and 2).

The increase in the number of active companies (corporations with share capital) between fiscal years 1971-72 and 1972-73 was 8,326, which represented as much as 86% of the total increment in Ontario's active corporations during the period. As a consequence of their consistently high level of growth, companies have steadily constituted a greater proportion of all corporations operating in the Province. Corporations without share capital which accounted for almost 5% of all active corporations increased by 8.6%. The downward trend in the number of credit unions, mining companies, social club companies and co-operatives without share capital continued for another year. The rate of growth of Ontario incorporated corporations was higher than those incorporated outside the Province by almost 2%. As a result, the former accounted for a slightly higher proportion of all corporations operating at the end of fiscal year 1972-73 than in the previous year. The overall increase in the number of active corporations was 9,626 or 7.8% (See Tables 4 and 5).

Except for a slight increase in the proportion of corporations under Ontario jurisdiction (accompanied by a proportionate drop in the number of federally incorporated corporations), there was no significant change in the distribution of corporations by jurisdiction. Corporations which were in operation in the Province were incorporated under 77 jurisdictions, compared to 74 in the previous year. In 1972-73, corporations incorporated in the British Virgin Islands, North Carolina, and U.S.A. (federally incorporated) were established for the first time in Ontario. Although Ontario corporations had the biggest gain in absolute number, the largest percentage increase was achieved by Saskatchewan corporations, followed by corporations under Alberta

jurisdiction. For corporations incorporated outside Canada, the largest increase in terms of absolute numbers was recorded by corporations under Delaware, Michigan and New York jurisdictions. Corporations incorporated in West Germany increased their number in Ontario from 11 to 21 in the fiscal year 1972-73. At the end of the fiscal year 1972-73, corporations incorporated outside Canada accounted for 0.9% of all active corporations in Ontario (See Tables 6 and 7).

TABLE 1
NEW CORPORATIONS, ONTARIO, 1951-1973

YEAR	CORPORATIONS INCORPORATED IN ONTARIO		CORPORATIONS INCORPORATED OUTSIDE ONTARIO				TOTAL	
			CORPORATIONS HOLDING LICENCE IN MORTMAIN		COMPANIES WITH AN EXTRA-PROVINCIAL LICENCE			
	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE	NUMBER	PER CENT CHANGE
		%		%		%		%
1951	1,779		146		62		1,987	
1952	1,772	- 0.4	164	12.3	69	11.3	2,005	0.9
1953	2,113	19.2	149	- 9.1	99	43.5	2,361	17.8
1954	3,613	71.0	181	21.5	86	-13.1	3,880	64.3
1955	3,811	5.5	249	37.6	110	27.9	4,170	7.5
1956	4,788	25.6	222	-10.8	149	35.5	5,159	23.7
1957	5,219	9.0	232	4.5	128	-14.1	5,579	8.1
1958	4,368	-16.3	203	-12.5	137	7.0	4,708	-15.6
1959	5,916	35.4	175	-13.8	150	9.5	6,241	32.6
1960	6,417	8.5	238	36.0	160	6.7	6,815	9.2
1961	5,736	-10.6	198	-16.8	166	3.8	6,100	-10.5
1962	6,019	4.9	206	4.0	141	-15.1	6,366	4.4
1963	5,903	- 1.9	199	- 3.4	171	21.3	6,273	- 1.5
1964	6,229	5.5	204	2.5	172	0.6	6,605	5.3
1965	7,276	16.8	223	9.3	177	2.9	7,676	16.2
1966	7,309	0.5	244	9.4	193	9.0	7,746	0.9
1967	7,425	1.6	217	-11.1	173	-10.4	7,815	0.9
1968	7,699	3.7	202	- 6.9	185	6.9	8,086	3.5
1969	9,593	24.6	249	23.3	212	14.6	10,054	24.3
1970	8,091	-15.7	290	16.5	273	28.8	8,654	-13.9
1971	9,152	13.1	212	-26.9	266	- 2.6	9,630	11.3
1971-72*	11,030	...	231	...	263	...	11,524	...
1972-73*	12,489	13.2	222	- 3.9	285	8.4	12,996	12.8

Note: Figures for corporations which are not required to hold licence in Ontario are not included.

* Fiscal year ending March 31.

TABLE 2
NEW CORPORATIONS INCORPORATED IN ONTARIO, FISCAL YEARS 1971-72 AND 1972-73

TYPE	1971-72		1972-73		
	NUMBER	PER CENT DISTRIBUTION	NUMBER	PER CENT DISTRIBUTION	PER CENT ⁽²⁾ CHANGE
		<u>%</u>		<u>%</u>	<u>%</u>
INCORPORATIONS					
Corporations ⁽¹⁾	605	5.5	675	5.4	11.6
Companies	10,231	92.8	11,681	93.6	14.2
AMALGAMATIONS	148	1.3	79	0.6	-46.6
REVIVALS	46	0.4	54	0.4	17.4
TOTAL	11,030	100.0	12,489	100.0	13.2

(1) Without share capital

(2) Per cent change from previous year.

TABLE 3
PER CENT CHANGE IN THE NUMBER OF ACTIVE
CORPORATIONS BY YEAR, ONTARIO, 1951-73

YEAR	NUMBER	PER CENT CHANGE
	<u>000's</u>	<u>%</u>
1951	26	
1956	38	46.2
1957	43	13.2
1958	47	9.3
1959	53	12.8
1960	59	11.3
1961	63	6.8
1962	67	6.3
1963	72	7.5
1964	76	5.6
1965	81	6.6
1966	87	7.4
1967	93	6.9
1968	98	5.4
1969	105	7.1
1970	113	7.6
1971	119	5.3
1971-72*	124.0	...
1972-73*	133.7	7.8

* Fiscal year ending March 31.

GROWTH OF CORPORATIONS IN ONTARIO, 1951-1973

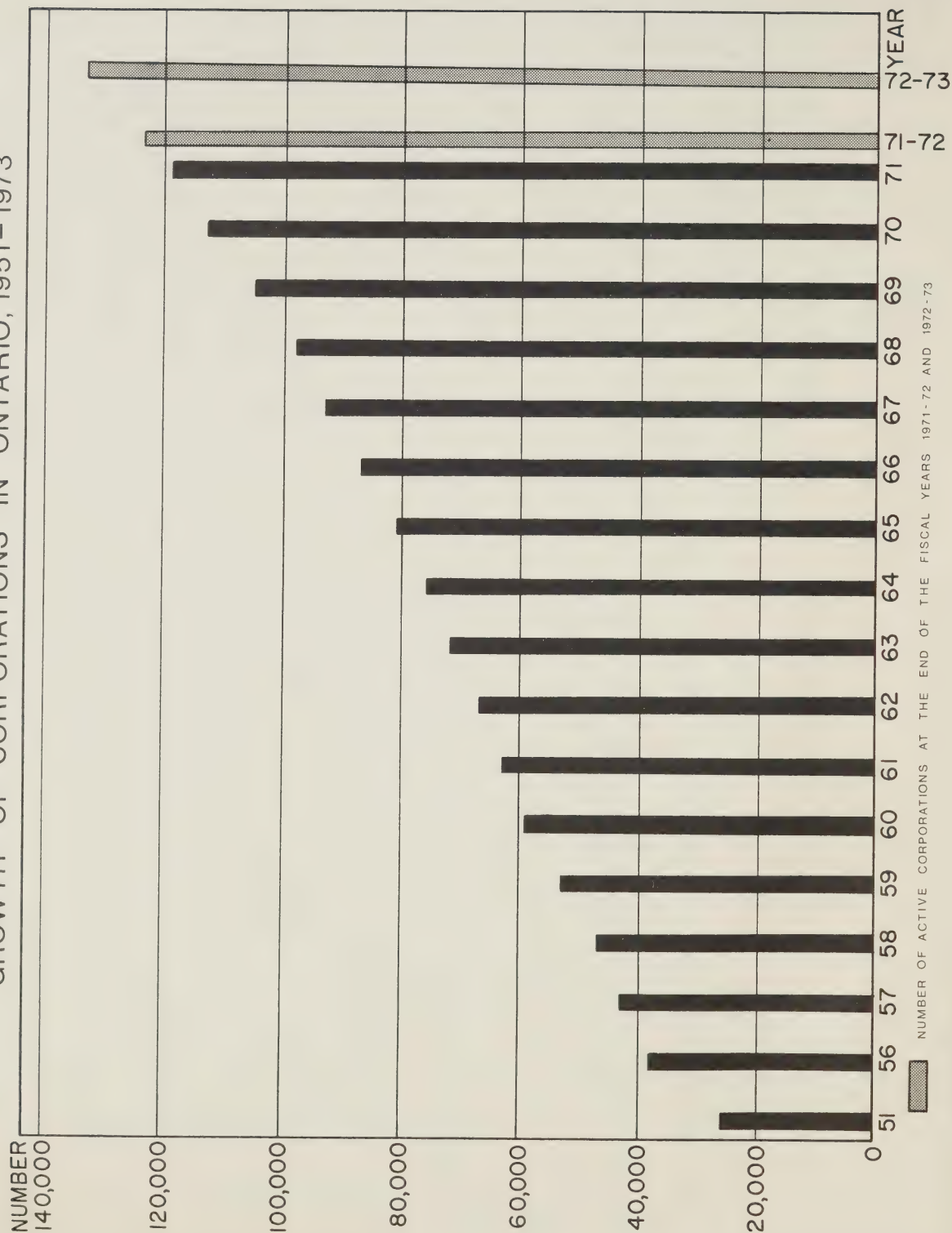


TABLE 4

PER CENT DISTRIBUTION OF ACTIVE CORPORATIONS BY TYPE, ONTARIO, FISCAL YEARS 1971-72 AND 1972-73

TYPE	1971-72		1972-73	
	NUMBER	PER CENT DISTRIBUTION %	NUMBER	PER CENT DISTRIBUTION %
<u>Incorporated in Ontario</u>				
Companies (1)	99,124	79.9	107,450	80.4
Corporations	5,749	4.6	6,241	4.7
Credit Unions	1,468	1.2	1,431	1.1
Insurance Companies	130	0.1	158	0.1
Mining Companies	1,355	1.1	1,255	0.9
Social Club Companies	291	0.2	287	0.2
Social Club Corporations	2,084	1.7	2,199	1.6
Co-Operatives without Share Capital	184	0.2	177	0.1
Co-Operatives with Share Capital	123	0.1	125	0.1
Private Loan Companies	482	0.4	493	0.4
Mining Syndicates	3	--	2	--
TOTAL	<u>110,993</u>	89.5	<u>119,818</u>	89.6
<u>Incorporated outside Ontario</u>				
Companies with an Extra-Provincial Licence	1,817	1.5	1,935	1.4
Corporations holding Licence in Mortmain	2,882	2.3	2,955	2.2
Others	8,344	6.7	8,954	6.8
TOTAL	<u>13,043</u>	10.5	<u>13,844</u>	10.4
GRAND TOTAL	<u>124,036</u>	100.0	<u>133,662</u>	100.0

(1) Without share capital

TABLE 5

PER CENT CHANGE IN THE NUMBER OF ACTIVE CORPORATIONS BY TYPE, ONTARIO, FISCAL YEARS 1971-72 AND 1972-73

TYPE	1971-72	1972-73	
	NUMBER	NUMBER	PER CENT CHANGE (1) %
<u>Incorporated in Ontario</u>			
Companies (2)	99,124	107,450	8.4
Corporations	5,749	6,241	8.6
Credit Unions	1,468	1,431	-2.5
Insurance Companies	130	158	21.5
Mining Companies	1,355	1,255	-7.4
Social Club Companies	291	287	-1.4
Social Club Corporations	2,084	2,199	5.5
Co-Operatives without Share Capital	184	177	-3.8
Co-Operatives with Share Capital	123	125	1.6
Private Loan Companies	482	493	2.3
Mining Syndicates	3	2	-33.3
TOTAL	<u>110,993</u>	<u>119,818</u>	8.0
<u>Incorporated outside Ontario</u>			
Companies with an Extra- Provincial Licence	1,817	1,935	6.5
Corporations holding Licence in Mortmain	2,882	2,955	2.5
Others	8,344	8,954	7.3
TOTAL	<u>13,043</u>	<u>13,844</u>	6.1
GRAND TOTAL	124,036	133,662	7.8

(1) Per cent change from previous year. (2) Without share capital.

TABLE 6
ACTIVE CORPORATIONS (1) BY JURISDICTION UNDER WHICH INCORPORATED
PER CENT DISTRIBUTION AND PER CENT CHANGE, ONTARIO, FISCAL YEARS 1971-72 AND 1972-73

JURISDICTION	1971-72		1972-73	
	NUMBER	PER CENT DISTRIBUTION %	NUMBER	PER CENT DISTRIBUTION %
Canada (federally incorporated)	9,950	8.2	10,462	8.0
Ontario	109,252	89.5	118,112	89.7
Quebec	840	0.7	911	0.7
British Columbia	336	0.3	375	0.3
Alberta	266	0.2	301	0.2
Manitoba	299	0.2	310	0.2
Saskatchewan	40	--	46	--
California	44	--	47	--
Delaware	236	0.2	257	0.2
Illinois	56	--	57	--
Michigan	67	0.1	72	0.1
New York	132	0.1	146	0.1
Ohio	73	0.1	74	0.1
Great Britain	57	--	62	--
Others *	430	0.4	466	0.4
TOTAL	122,078	100.0	131,698	100.0
				7.9

(1) Only jurisdictions with more than 45 corporations are listed.

(2) Per cent change from previous year.

TABLE 7

NUMBER OF ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER
WHICH INCORPORATED, ONTARIO, FISCAL YEARS 1971-72 AND 1972-73

JURISDICTION	1971-72	1972-73
Canada (federally incorporated)	9,950	10,462
Alberta	266	301
British Columbia	336	375
Manitoba	299	310
Newfoundland	8	10
New Brunswick	29	33
Northwest Territories	1	-
Nova Scotia	33	38
Ontario	109,252	118,112
Prince Edward Island	2	3
Quebec	840	911
Saskatchewan	40	46
CANADA TOTAL	<u>121,056</u>	<u>130,601</u>
U.S.A. (federally incorporated)	-	2
Alabama	1	1
Arizona	2	2
Arkansas	2	2
California	44	47
Colorado	3	3
Connecticut	8	8
Delaware	236	257
District of Columbia	3	3
Florida	14	13
Georgia	3	3
Illinois	56	57
Indiana	15	16
Iowa	10	10
Kansas	2	2
Kentucky	3	3
Louisiana	1	1
Maine	6	7
Maryland	9	10
Massachusetts	11	12
Michigan	67	72

TABLE 7 - continued - NUMBER OF ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER
WHICH INCORPORATED, ONTARIO, FISCAL YEARS 1971-72 AND 1972-73

JURISDICTION	1971-72	1972-73
Minnesota	20	24
Missouri	15	14
Nebraska	1	1
Nevada	11	10
New Jersey	28	27
New York	132	146
North Carolina	-	2
North Dakota	2	2
Ohio	73	74
Oklahoma	1	2
Oregon	1	1
Pennsylvania	36	33
Rhode Island	2	2
Tennessee	3	2
Texas	17	19
Vermont	1	1
Virginia	2	3
Washington	4	5
West Virginia	3	2
Wisconsin	17	19
Wyoming	1	1
UNITED STATES TOTAL	<u>866</u>	<u>921</u>
Bahama Islands	34	31
Belgium	1	1
Bermuda	6	6
British Virgin Islands	-	1
Denmark	1	1
France	2	2
Great Britain	57	62
Hong Kong	1	1
Ireland	1	1
Italy	2	2
Jamaica	1	1
Japan	1	2
Liberia	4	3

TABLE 7 - continued - NUMBER OF ACTIVE CORPORATIONS⁽¹⁾ BY JURISDICTION UNDER WHICH INCORPORATED, ONTARIO, FISCAL YEARS 1971-72 AND 1972-73

JURISDICTION	1971-72	1972-73
Liechtenstein	9	9
Mexico	1	1
Netherlands	-	5
New South Wales	1	1
New Zealand	1	1
Panama	11	10
South Korea	1	1
Spain	1	1
Sweden	2	3
Switzerland	7	9
West Germany	11	21
OTHERS TOTAL	<u>156</u>	<u>176</u>
GRAND TOTAL	122,078	131,698

(1) Corporations which are required to submit annual returns under The Corporations Information Act. Corporations which are exempt from filing a return under Section 3 of the Act are excluded.

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For copies of this Report, or related statistical
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